

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 ACDA-07 ERDA-05 ARA-06 CIAE-00

DODE-00 EA-07 PM-04 H-02 INR-07 IO-13 L-03 NASA-01

NEA-10 NSAE-00 NSC-05 OIC-02 SP-02 PA-01 PRS-01

OES-06 SS-15 USIA-06 SAJ-01 MC-02 TRSE-00 NRC-05

XMB-02 EB-07 /141 W

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R 062331Z AUG 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3741

AMEMBASSY CONAKRY

INFO USDOC WASHDC

AMEMBASSY PRETORIA

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 22990

DEPT MAY WISH PASS OAU COLLECTIVE

E.O. 11652: GDS

TAGS: PFOR, PGOV, FR, GV, SF

SUBJECT: FRANCO-SOUTH AFRICAN POWER REACTOR CONTRACT

REF: CONAKRY 1532

1. FOLLOWING STATEMENT PREPARED BY EMBASSY AFTER
CAREFUL RESEARCH IS UNCLASSIFIED AND MAY BE USED IN
HANDOUTS TO INTERESTED AFRICAN OFFICIALS. BEGIN
UNCLASSIFIED:

CONSORTIUM CONSTRUCTING SOUTH AFRICAN NUCLEAR POWER
PLANT CONSISTS OF FRAMATEG, SPIES BATIGNOLLES, AND
ALSTHOM.

I. FRAMATEG, WHICH LEADS CONSORTIUM, SPECIALIZES IN
CONSTRUCTION OF OVERSEAS NUCLEAR POWER PLANTS.

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IT IS OWNED AS FOLLOWS: FRAMATOME (60 PER CENT),

CREUSOT-LOIRE (20 PER CENT), AND CREUSOT-LOIRE ENTERPRISES (20 PER CENT). THESE FIRMS IN TURN ARE IN THE FOLLOWING HANDS:

A. FRAMATOME

1. CREUSOT-LOIRE (51 PER CENT)
2. FRENCH ATOMIC ENERGY COMMISSION (CEA)
(30 PER CENT)
3. WESTINGHOUSE (15 PER CENT)
4. EMPAIN SCHNEIDER (INDIRECT) (4 PER CENT)

B. CREUSOT-LOIRE

1. CIE FINANCIERE CREUSOT-LOIRE (51.5 PER CENT)
2. MARINE WENDEL (6.5 PER CENT)
3. SCHNEIDER S.A. (1.5 PER CENT)

C. CREUSOT-LOIRE ENTERPRISES

1. CREUSOT-LOIRE (80 PER CENT)
2. SCHNEIDER S.A. (3 PER CENT)

IT SHOULD BE NOTED THAT SCHNEIDER S.A. CONTROLS 50 PER CENT OF CIE FINANCIERE CREUSOT-LOIRE. SCHNEIDER S.A. (FRENCH) AND ELECTRO-RAIL (BELGIAN) COMPRISE EMPAIN SCHNEIDER GROUP WHICH HAS HOLDINGS WORLDWIDE. SCHNEIDER S.A. HOLDS MAJORITY SHARES OF EMPAIN SCHNEIDER. BARON EDOUARD EMPAIN, BELGIAN CITIZEN RESIDING IN FRANCE, IS PRESIDENT-DIRECTOR GENERAL OF

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C O N F I D E N T I A L SECTION 02 OF 02 PARIS 22990

SCHNEIDER S.A.

II. SPIES BATIGNOLLES WILL DO CIVIL ENGINEERING FOR
PROJECT. THIS FIRM CONTROLLED AS FOLLOWS:

A. SCHNEIDER S.A. (82 PER CENT)

B. DONG-TRIEN (8 PER CENT) (CONTROLLED BY
SCHNEIDER S.A.)

III. ALSTHOM WILL PROVIDE TURBO-ALTERNATORS FOR
PLANT. PRINCIPAL SHAREHOLDERS OF ALSTHOM ARE:

A. COMPAGNIE GENERALE D'ELECTRICITE (FRENCH)
(56.3 PER CENT)

B. COMPAGNIE FINANCIERE DE SUEZ (3.8 PER CENT)
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C. L'OMNIUM DE PARTICIPATIONS FINANCIERES ET
INDUSTRIELLES (1.08 PER CENT)

U.S. FIRMS OBVIOUSLY DO NOT HAVE CONTROLLING EQUITY
IN FRENCH CONSORTIUM SELLING POWER REACTOR SYSTEMS.
ONLY EQUITY DIRECT OR OTHERWISE WE CAN DETECT IS
WESTINGHOUSE'S 15 PER CENT EQUITY IN FRAMATOME. THIS
AMOUNTS TO 9 PER CENT INDIRECT IN FRAMATEG, LEADER
OF CONSORTIUM (15 PER CENT OF 60 PER CENT EQUALS 9

PER CENT). THERE IS NO DISCERNIBLE U.S. EQUITY IN SPIES BATIGNOLLES OR ALSTHOM. SHARES UNACCOUNTED FOR IN FOREGOING LISTINGS ARE WIDELY HELD BY PRIVATE INVESTORS PRESUMED LARGELY EUROPEAN. CREUSOT LOIRE, SCHNEIDER, AND SUEZ ARE ALL QUOTED ON PARIS BOURSE. END UNCLASSIFIED.

2. NOTE THAT AMBASSADOR'S HARROP'S STATEMENT TO MAMADI KEITA COVERED IN PARA 2 OF REFTEL CONCERNING DIFFERENCES BETWEEN FRENCH AND U.S. NUCLEAR POWER TECHNOLOGY IS NOT STRICTLY CORRECT. FRENCH CONSORTIUM WILL IN FACT USE WESTINGHOUSE PRESSURE WATER REACTOR TECHNOLOGY VERY SIMILAR TO THAT CURRENTLY EMPLOYED IN FRENCH NUCLEAR POWER PROGRAM.

3. ADDRESSEES MAY WISH TO EMPHASIZE IN ORAL COMMENTS TO AFRICAN OFFICIALS THAT WESTINGHOUSE, FAR FROM DOMINATING FRENCH NUCLEAR POWER INDUSTRY, HAS BEEN PROGRESSIVELY SQUEEZED OUT OF FRAMATOME UNDER GOF PRESSURE AND WILL VERY LIKELY LOSE ITS REMAINING 15 PERCENT SHARE IN 1982. GAMMON

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